

AMENDED IN SENATE JULY 17, 2003

AMENDED IN ASSEMBLY MAY 5, 2003

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1458

Introduced by Assembly Member Reyes
(Coauthors: Assembly Members Calderon, Cohn, Frommer,
Jerome Horton, Nunez, Ridley-Thomas, and Strickland)
~~(Coauthor: Senator Cedillo)~~
(Coauthors: Senators Cedillo and Murray)

February 21, 2003

An act to *amend Section 18824 of, and to add Section 18640.5 to the* Business and Professions Code, relating to boxing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1458, as amended, Reyes. Boxing contests.

Existing law, the Boxing Act, provides for the regulation of boxing contests by the State Athletic Commission. *Existing law requires every person who conducts a contest or wrestling exhibition to furnish to the commission a report showing the number of tickets sold for the contest or wrestling exhibition, subject to certain conditions.*

This bill would require the commission ~~to regularly convene certain stakeholder meetings for the purposes of determining the best approaches to attract~~, *at its regularly scheduled meetings, to invite testimony from boxing stakeholders to identify actions that may lead to greater opportunities for the commission's licensees to participate in major professional championship boxing contests to in the State of*

California. *The bill would require the commission, after receiving the testimony, to make recommendations annually to the Governor and the Legislature that it determines may provide greater opportunities for the commission's licensees to participate in major professional championship boxing contests in the State of California. The bill would require costs of the commission incurred by implementing the bill this requirement to be covered by existing resources of the commission. The bill would delete the provision requiring the number of tickets sold for a contest or wrestling exhibition to be reported to the commission.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. — The Legislature finds and declares the~~
2 *SECTION 1. Section 18640.5 is added to the Business and*
3 *Professions Code, to read:*
4 *18640.5. (a) The commission, at its regularly scheduled*
5 *meetings, shall invite testimony from boxing stakeholders to*
6 *identify actions that may lead to greater opportunities for its*
7 *licensees to participate in major professional championship*
8 *boxing contests in the State of California. The commission shall*
9 *invite testimony that shall include, but not be limited to, the*
10 *following:*
11 *(1) What cooperative actions may be taken by the private sector*
12 *boxing stakeholders that may lead to greater opportunities for the*
13 *commission's licensees to participate in major professional*
14 *championship boxing contests in the State of California.*
15 *(2) What role may public-private partnerships play that may*
16 *lead to greater opportunities for the commission's licensees to*
17 *participate in major professional championship boxing contests in*
18 *the State of California.*
19 *(3) What actions may local agencies take that may lead to*
20 *greater opportunities for the commission's licensees to participate*
21 *in major professional championship boxing contests in the State of*
22 *California.*
23 *(4) What actions may the commission take that may lead to*
24 *greater opportunities for the commission's licensees to participate*
25 *in major professional championship boxing contests in the State of*
26 *California.*

(5) *What actions may other state agencies take that may lead to greater opportunities for the commission's licensees to participate in major professional championship boxing contests in the State of California.*

(b) *The stakeholders shall include, but not be limited to, boxing promoters, boxing event venues, boxers, sports news outlets, and local agencies that have an interest in providing greater opportunities for the commission's licensees to participate in major professional championship boxing contests in the State of California.*

(c) *Upon receipt of the above described testimony the commission shall annually make recommendations to the Governor and the Legislature that it determines may provide greater opportunities for the commission's licensees to participate in major professional championship boxing contests in the State of California.*

(d) *Nothing in this section shall jeopardize the commission's duties and responsibilities to protect the safety and welfare of boxers and the public.*

(e) *Costs incurred by the commission in implementing this section shall be covered by existing resources of the commission.*

SEC. 2. *Section 18824 of the Business and Professions Code, as amended by Section 2 of Chapter 776 of the Statutes of 2001, is amended to read:*

18824. (a) Except as provided in Sections 18646 and 18832, every person who conducts a contest or wrestling exhibition shall, within 72 hours after the determination of every contest or wrestling exhibition for which admission is charged and received, furnish to the commission a written report executed under penalty of perjury by one of the officers, showing ~~the number of tickets issued or sold for the contest or wrestling exhibition,~~ the amount of the gross receipts ~~or value thereof,~~ *not to exceed two million dollars (\$2,000,000),* and the gross price for the contest or wrestling exhibit charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of the contest or wrestling exhibition, and without any deductions, except for expenses incurred for one broadcast announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross taxable base when those expenses are

1 approved by the commission. The person shall also, within the
2 same time, pay to the commission a fee of 5 percent, exclusive of
3 any federal taxes paid thereon, of the amount paid for admission
4 to the contest or wrestling exhibition, except that for any one
5 boxing contest, the fee shall not exceed the amount of one hundred
6 thousand dollars (\$100,000), and a fee of up to 5 percent of the
7 gross price as described above for the sale, lease, or other
8 exploitation of broadcasting or television rights thereof, except
9 that in no case shall the fee be less than one thousand dollars
10 (\$1,000). The minimum fee for an amateur contest or exhibition
11 shall not be less than five hundred dollars (\$500). The amount of
12 the gross receipts upon which the fee provided for in this section
13 is calculated shall not include any assessments levied by the
14 commission under Section 18711.

15 The fee on admission shall apply to the amount actually paid for
16 admission and not to the regular established price.

17 No fee is due in the case of a person admitted free of charge.
18 However, if the total number of persons admitted free of charge to
19 a boxing, kickboxing, or martial arts contest or wrestling
20 exhibition exceeds 25 percent of the total number of spectators,
21 then a fee of one dollar (\$1) per complimentary ticket or pass used
22 to gain admission to the contest shall be paid to the commission for
23 each complimentary ticket or pass that exceeds the numerical total
24 of 25 percent of the total number of spectators.

25 (b) If the fee on admissions for any one boxing contest exceeds
26 seventy thousand dollars (\$70,000), the amount in excess of
27 seventy thousand dollars (\$70,000) shall be paid one-half to the
28 commission and one-half to the Boxers' Pension Fund.

29 (c) As used in this section, "person" includes a promoter, club,
30 individual, corporation, partnership, association or other
31 organization, and "wrestling exhibition" means a performance of
32 wrestling skills and techniques by two or more individuals, to
33 which admission is charged or which is broadcast or televised, in
34 which the participating individuals are not required to use their
35 best efforts in order to win, and for which the winner may have
36 been selected before the performance commences.

37 (d) This section shall remain in effect only until January 1,
38 2006, and as of that date is repealed, unless a later enacted statute,
39 that is enacted before January 1, 2006, deletes or extends that date.

SEC. 3. *Section 18824 of the Business and Professions Code, as added by Section 2 of Chapter 436 of the Statutes of 2000, is amended to read:*

18824. (a) Except as provided in Sections 18646 and 18832, every person who conducts a contest or wrestling exhibition shall, within 72 hours after the determination of every contest or wrestling exhibition for which admission is charged and received, furnish to the commission a written report executed under penalty of perjury by one of the officers, showing ~~the number of tickets issued or sold for the contest or wrestling exhibition,~~ the amount of the gross receipts ~~or value thereof for the contest or wrestling exhibit,~~ and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of the contest or wrestling exhibition, and without any deductions, except for expenses incurred for one broadcast announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross taxable base when those expenses are approved by the commission. The person shall also, within the same time pay to the commission a 5 percent fee, exclusive of any federal taxes paid thereon, of the amount paid for admission to the contest or wrestling exhibition, and up to 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof, except that in no case shall the fee be less than one thousand dollars (\$1,000).

(b) The minimum fee for an amateur contest or exhibition shall not be less than five hundred dollars (\$500). The amount of the gross receipts upon which the fee provided for in this section is calculated shall not include any assessments levied by the commission under Section 18711.

The fee on admission shall apply to the amount actually paid for admission and not to the regular established price.

No fee is due in the case of a person admitted free of charge; provided, however, if the total number of persons admitted free of charge to a boxing, kickboxing, or martial arts contest or wrestling exhibition exceeds 25 percent of the total number of spectators, then a fee of one dollar (\$1) per complimentary ticket or pass used to gain admission to the contest shall be paid to the commission for each complimentary ticket or pass that exceeds the numerical total of 25 percent of the total number of spectators.

(c) As used in this section, “person” includes a promoter, club, individual, corporation, partnership, association or other organization, and “wrestling exhibition” means a performance of wrestling skills and techniques by two or more individuals, to which admission is charged or which is broadcast or televised, in which the participating individuals are not required to use their best efforts in order to win, and for which the winner may have been selected before the performance commences.

(d) This section shall become operative on January 1, 2006, following:

~~(a) Major professional championship boxing contests attract national and international live audiences.~~

~~(b) Typically over one-third of attendees to major professional championship boxing contests come from outside the State of California.~~

~~(c) Major professional championship boxing contests being held in California translate into a net increase in jobs, contributions to the boxers’ pension fund, in business activity, and in state and local revenue.~~

~~SEC. 2. Section 18640.5 is added to the Business and Professions Code, to read:~~

~~18640.5. (a) The commission shall regularly convene stakeholder meetings to determine the best approaches to attract major professional championship boxing contests to the State of California so long as the safety and welfare of the boxers and the public are not jeopardized.~~

~~(b) The stakeholder meetings shall be subject to the following requirements:~~

~~(1) The meetings shall be held quarterly in conjunction with the regularly scheduled meetings of the commission and shall include, but not be limited to, boxing promoters, boxing event venues, boxers, sports news outlets, local agencies that have an interest in hosting boxing events, and others the commission believes have an interest in attracting major professional championship boxing contests to the State of California.~~

~~(2) The purpose of the meetings shall be to determine how the commission, in conjunction with boxing stakeholders, may work in a coordinated fashion to attract major professional championship boxing contests to the State of California.~~

- 1 ~~(c) Costs incurred by the commission in implementing this~~
- 2 ~~section shall be covered by existing resources of the commission.~~

O

